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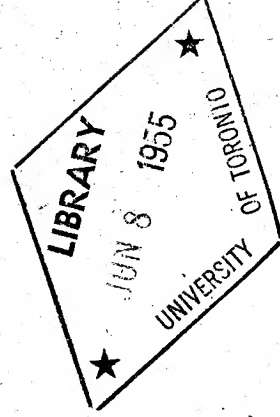
Second Session, Twenty-Second Parliament, 3-4 Elizabeth II, 1955.

THE SENATE OF CANADA

BILL W¹¹.

An Act to incorporate S & M Pipeline Limited.

AS PASSED BY THE SENATE, 12th MAY, 1955.



EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955

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Preamble.	<p>WHEREAS the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—</p>	5
Incorporation.	<p>1. Richard Alexander Cruickshank, director and general manager of Canadian Devonian Petroleums Limited, of the city of Regina, in the province of Saskatchewan, Gordon Lawson, company executive, of the city of Winnipeg, in the province of Manitoba, John David Leishman, medical doctor, of the city of Regina, in the province of Saskatchewan, and Herbert Charles Pinder, company executive, of the city of Saskatoon, in the province of Saskatchewan, together with such persons as may become shareholders in the company, are incorporated under the name of S & M Pipeline Limited, hereinafter called "the Company".</p>	15
Corporate name.		
Provisional directors.	<p>2. The persons named in section 1 of this Act shall be the first directors of the Company.</p>	20
Capital.	<p>3. (1) The capital stock of the Company shall consist of</p> <p>(a) one million shares without nominal or par value, and</p> <p>(b) twenty-five thousand preferred shares of the par value of fifty dollars per share.</p> <p>(2) The Company may by by-law</p>	
Preferred shares ¹ conditions.	<p>(a) provide for the creation of classes of preferred shares with such preferences, privileges or other special rights, restrictions, conditions or limitations whether with regard to dividends, capital or otherwise as in the by-law may be declared,</p>	30

Alteration
of unissued
preferred
shares.

(b) subdivide, consolidate into shares of larger par value or reclassify any of the unissued preferred shares and may amend, vary, alter or change any of the preferences, privileges, rights, restrictions, conditions or limitations attached to the unissued preferred shares: 5

Validation
of by-law.

Provided that no such by-law shall be valid or acted upon until it has been sanctioned by at least two-thirds of the votes cast at a special general meeting of the common shareholders of the Company duly called for considering the same or until a certified copy of such by-law has been 10 filed with the Secretary of State.

(3) The Directors may by resolution prescribe within the limits set forth in any by-law passed under subsection (2) the terms of issue and the precise preferences, privileges, rights, restrictions, conditions or limitations, whether with 15 regard to dividends, capital or otherwise, of any class of preferred shares.

Preferred
shares
non-voting.

(4) Holders of any class of preferred shares shall not have any voting rights, other than those provided by by-law passed under subsection (2), nor shall they be entitled to 20 receive any notice of or attend any meeting of the common shareholders of the Company except the right to attend and vote at general meetings on any question directly affecting any of the rights or privileges attached to such class of preferred shares, and then there shall be one vote per share, 25 but no change adversely affecting the rights or privileges of any class of preferred shares shall be made unless sanctioned by at least two-thirds of the votes cast at a special general meeting of the holders of such class of issued and outstanding preferred shares duly called for considering 30 the same, and until a certified copy of such by-law has been filed with the Secretary of State.

(5) Ownership of preferred shares shall not qualify any person to be a director of the Company.

Head office
and other
offices.

4. (1) The head office of the Company shall be in the 35 city of Regina, in the province of Saskatchewan, which head office shall be the domicile of the Company in Canada; and the Company may establish such other offices and agencies elsewhere within or without Canada as it deems expedient. 40

(2) The Company may, by by-law, change the place where the head office of the Company is to be situate.

(3) No by-law for the said purpose shall be valid or acted upon until it is sanctioned by at least two-thirds of the votes cast at a special general meeting of the share- 45 holders duly called for considering the by-law and a copy of the by-law certified under the seal of the Company has been filed with the Secretary of State and published in the *Canada Gazette*.

Pipe lines
legislation
to apply.

R.S. 1952,
c. 211.

Power to
construct
and operate
pipe lines.

R.S. 1952,
c. 233.

Power to
hold land.

5. The Company shall have all the powers, privileges and immunities conferred by, and be subject to all the limitations, liabilities, and provisions of the *Pipe Lines Act*, and any other general legislation relating to pipe lines enacted by Parliament with respect to the transportation of gas and oil and other liquid and gaseous hydrocarbons. 5

6. The Company, subject to the provisions of any general legislation relating to pipe lines for the transmission and transportation of gas and oil and other liquid and gaseous hydrocarbons which is enacted by Parliament, may 10

(a) within Canada in the Northwest Territories and the provinces of British Columbia, Alberta, Saskatchewan and Manitoba and outside Canada construct, purchase, lease, or otherwise acquire, and hold, develop, operate, maintain, control, lease, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account any and all interprovincial, extra-provincial and/or international pipe lines, for the transmission and transportation of gas and oil and other liquid and gaseous hydrocarbons, including pumping stations, gathering systems, terminals, storage tanks or reservoirs and all works relative thereto for use in connection with the said pipe lines; and buy, or otherwise acquire, sell, distribute or otherwise dispose of gas and oil and other liquid and gaseous hydrocarbons; and own, lease, sell, operate and maintain aircraft and aerodromes for the purpose of its undertaking, together with the facilities required for the operation of such aircraft and aerodromes; and own, lease, operate and maintain interstation telephone, teletype and telegraph communication systems and, subject to the *Radio Act*, and any other Act relating to radio, own, lease, operate and maintain interstation radio communication facilities; 30

(b) purchase, hold, lease, sell, improve, exchange or otherwise deal in real property or any interest and rights therein legal or equitable or otherwise howsoever and deal with any portion of the lands and property so acquired, and may subdivide the same into building lots and generally lay the same out into lots, streets and building sites for residential purposes or otherwise and may construct streets thereon and necessary sewerage and drainage systems and build upon the same for residential purposes or otherwise and supply any buildings so erected, or other buildings erected upon such lands, with electric light, heat, gas, water and other requisites, and lease or sell the same, upon such terms and subject to such conditions as appear requisite, either to its employees or to others; and 50

Ancillary
powers.

R.S. 1952,
c. 53.

Sections
of the
Companies
Act to apply.
R.S. 1952,
c. 53.
Proviso.

Sections
of the
Companies
Act not
to apply.
R.S. 1952,
c. 53.

Company
not to make
a loan to
shareholders
or directors.

Proviso.

(c) exercise as ancillary and incidental to the purposes or objects set forth in this Act, the powers following, unless such powers or any of them are expressly excluded by this Act, namely, the powers set forth in paragraphs (a) to (bb) inclusive of subsection 1 of section 14 of the *Companies Act*. 5

7. The provisions of subsections (7), (8), (9), (10) and (11) of section 12 and sections 39, 40, 59, 62, 63, 64, 65 and 91 of Part I of the *Companies Act*, apply to the Company: Provided that wherever in the said subsection (10), 10 of section 12, and in the said section 59 the words "letters patent" or "supplementary letters patent" appear, the words "Special Act" shall be substituted therefor.

8. Sections 162, 167, 184, 190, 193 and 194 of Part III of the *Companies Act*, shall not be incorporated with 15 this Act.

9. (1) The Company shall not make any loan to any of its shareholders or directors or give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase made or to be made by any person of any shares in the Company: Provided that nothing in this section shall be taken to prohibit:

(a) the making by the Company of loans to persons 25 other than directors, bona fide in the employment of the Company with a view to enabling or assisting those persons to purchase or erect dwelling houses for their own occupation; and the Company may take, from such employees, mortgages or other securities 30 for the repayment of such loans;

(b) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase by trustees of fully paid shares in the capital stock of the Company, to be held by, or for 35 the benefit of, employees of the Company, including any director holding a salaried employment or office in the Company; or

(c) the making by the Company of loans to persons, other than directors, bona fide in the employment of 40 the Company, with a view to enabling those persons to purchase fully paid shares in the capital stock of the Company, to be held by themselves by way of beneficial ownership.

(2) The powers under paragraphs (b) and (c) of sub- 45 section one of this section shall be exercised by by-law only.

Proviso.

When
redemption
or purchase
not a
reduction
of paid-up
capital.

(3) If any loan is made by the Company in violation of the foregoing provisions, all directors and officers of the Company making the same or assenting thereto, shall until repayment of said loan, be jointly and severally liable to the Company and to its creditors for the debts of the Company then existing or thereafter contracted: 5
Provided that such liability shall be limited to the amount of said loan with interest.

10. The redemption or purchase for cancellation of any fully paid preferred shares created by by-law pursuant to the provisions of this Act, in accordance with any right of redemption or purchase for cancellation reserved in favour of the Company in the provision attaching to such preferred shares, or the redemption or purchase for cancellation of any fully paid shares of any class, not being common or ordinary shares, and in respect of which the by-laws provide for such right of redemption or purchase, in accordance with the provisions of such by-laws, shall not be deemed to be a reduction of the paid-up capital of the Company, if such redemption or purchase for cancellation is made out of the proceeds of an issue of shares made for the purpose of such redemption or purchase for cancellation, or if, 10
(a) no cumulative dividends, on the preferred shares or shares of the class in respect of which such right of redemption or purchase exists and which are so redeemed or purchased for cancellation, are in arrears; and 15
(b) if such redemption or purchase for cancellation of such fully paid shares is made without impairment of the Company's capital by payments out of the ascertained net profits of the Company which have been set aside by the directors for the purposes of such redemption or of such purchase for cancellation, and if such net profits are then available for such application as liquid assets of the Company, as shown by the last balance sheet of the Company, certified by the Company's auditors, and being made up to a date not more than ninety days prior to such redemption or purchase for cancellation, and after giving effect to such redemption or purchase for cancellation; 20
and subject as aforesaid, any such shares may be redeemed or purchased for cancellation by the Company on such terms and in such manner as are set forth in the provisions attaching to such shares, and the surplus resulting from such redemption or purchase for cancellation shall be designated as a capital surplus, which shall not be reduced or distributed by the Company except as provided by a subsequent Act of the Parliament of Canada. 25 30 35 40 45

Commission
on
subscription.

11. The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolute or conditional, for any shares, bonds, debentures, debenture stock or other securities of the Company, or procuring or agreeing to procure subscriptions, 5
whether absolute or conditional, for any shares, bonds, debentures, debenture stock or other securities of the Company: Provided, however, that as regards shares, such commission shall not exceed ten per centum of the amount realized therefrom. 10

Proviso.